

Reclamation and Development Grant Program (02458)
HB 7 - 2009 Biennium

EXHIBIT 4
DATE 3-16-07
HB 7

Long-Range Planning Recommendation to the House Appropriations Committee

State Special Revenue Account (02458)

Estimated Beginning Fund Balance-(7/1/2007) \$3,315,006

Notes:
Reflects increase from reverted grant

Resource Indemnity Trust Interest \$3,000,000
Resource Indemnity Trust Interest - Additional 524,650
Resource Indemnity and Ground Water Assessment Tax 476,601
Metal Mines Tax 2,270,000
Oil and Gas Production Tax 6,621,719

2007 Biennium Revenues 12,892,970

Statutorily Appropriate Uses of Grant Funds

REDUCED Administration-(Grant Administration) DNRC2 (\$49,990)
DNRC-(Grant Administration) Conser. & Res. Devel. Div.2 (1,951,363)
Project Planning Grants (800,000)
Transfer to Renewable Resource Grants Account (02272) (4,300,000)
Total Proposed Expenditures (7,101,353)
Balance Available for RDGP Grants: \$9,106,623

HB 805
HB 805
Reduced from (1,000,000)
Transfer to RRGL

HB 7

R	P	L	Sponsor/Title	HB 7	LRP Rec	HB 116?	Notes:
					\$9,106,623	No Rec Cumulative	
1	2	6	MT Board of Oil and Gas Conservation				
		7	2007 N. District Orph. Well Plug, Abandonment, Site Restor.	\$300,000	\$8,806,623		
2		8	2007 S. District Orph. Well Plug, Abandonment, Site Restor.	300,000	8,506,623		
3		9	MT Department of Environmental Quality				
		10	Snowshoe Mine Reclamation Project	300,000	8,206,623		
4		11	MT Department of Environmental Quality				
		12	Bald Butte Mine and Millsite Reclamation Project	300,000	7,906,623		
5		13	MT Department of Natural Resources and Conservation				
		14	St. Mary Facilities Rehabilitation	300,000	7,606,623		
6		15	Powell County				
		16	Milwaukee Roundhouse Voluntary Cleanup	286,000	7,320,623		
7		17	MT Department of Natural Resources and Conservation				
		18	Reliance Refinery	300,000	7,020,623		
8		19	Central Montana Water Authority				
		20	Utica Well 2	300,000	6,720,623		
9		21	MT Board of Oil and Gas Conservation				
		22	Southern District Tank Battery Cleanup	300,000	6,420,623		
10		23	Meagher County CD				
		24	Hydrologic Investigation of the Smith River Watershed	300,000	6,120,623		
11		25	MT Department of Environmental Quality				
		26	Belt Acid Mine Drainage Mitigation	282,000	5,838,623		
12		27	MT Department of Environmental Quality				
		28	Swift Gulch Placer Tailings and Wetland Establishment	150,000	5,688,623		
13		29	Broadwater CD				
		30	Whites Gulch Reclamation Fish Barrier Project	24,500	5,664,123		
14	3	1	MT Department of Environmental Quality				
	2&3		Landusky Mine - Characterization of Surface Water/Groundwater	300,000	5,364,123		
15		4	Big Horn CD				
		5	Montana Regional Coalbed Methane	160,000	5,204,123		
16		6	Gallatin Local Water Quality District				
		7	Assessment and Distribution of Pharmaceuticals	294,000	4,910,123		
3		8	Flathead Basin Commission				
		9	British-Columbia-Montana Action Plan	300,000	4,610,123		Rec. Approp/HB 7=\$4,496,500
			Montana Tech of the University of Montana				
			Butte Native Plant Propagation Nursery	0	4,610,123	289,922	Recommended by DNRC
			Geraldine, Town of				
			Moonlight Meadow Test Hole Abandonment	0	4,610,123	554,922	\$265,000 request
				\$4,496,500			

State Special Revenue Account Summary (02458)

Beginning Fund Balance (June 30, 2007) \$3,315,006
Available Cash 12,892,970
Grants Recommended in HB 7 (5,296,500)

Grant Related Administration in HB 2 (2,001,353)
Transfer to Renewable Resource (4,300,000)
Total Non-Grant Expenditures (4,373,464)
Ending Fund Balance 02272 (June 30, 2009) \$236,659

Reflects reduction of PPGrants and new Flathead basin grant
HB 805

HB 805

Estimated by LED staff

Amendments to House Bill No. 7
1st Reading Copy

Requested by Representative Dave Kasten

For the House Appropriations Committee

Prepared by Catherine Duncan
March 15, 2007 (1:50pm)

1. Title, page 1, line 8.

Following: "GRANTS;"

Insert: "TRANSFERRING FUNDS;"

2. Title, line 10.

Following: "MCA"

Insert: ", AND SECTION 2, CHAPTER 473, LAWS OF 2003"

3. Page 1, line 17.

Following: "up to"

Strike: "\$1 million"

Insert: "\$800,000"

4. Page 1, line 19.

Strike: "\$4,196,500"

Insert: "\$4,496,500"

5. Page 3.

Following: line 7

Insert: "Flathead Basin Commission

(British Columbia-Montana Action Plan) \$300,000"

6. Page 4, line 5.

Insert: "NEW SECTION. Section 6. Fund transfer. On July 1, 2007, there is transferred from the reclamation and development grants special revenue account established in 90-2-1104 \$4.3 million to the renewable resource grant and loan program state special revenue account created in 85-1-604."

Renumber: subsequent sections

7. Page 4, line 26.

Insert: "Section 8. Section 2, Chapter 473, Laws of 2003, is amended to read:

"Section 2. Approved grant projects. (1) The legislature approves the grants listed in subsection (2), to be made in the order of priority as indicated within the following list of projects and activities. If the conditions in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended.

Funds not accepted by grantees or funds not used by higher-ranked projects and activities must be provided for projects and activities lower on the priority list that would otherwise not receive funding. Descriptions of the various projects and activities and specific conditions established for each project and activity are contained within the department of natural resources and conservation's reclamation and development grants program report to the 58th legislature for the 2005 biennium.

(2) The following are the grants program prioritized projects and activities:

Applicant/Project Grant Amount

Big Horn Conservation District

(Ground Water Monitoring--Tongue & Powder River Watersheds) 300,000

Sunburst, Town of

(Sunburst Water Supply Renovation) 185,249

Governor's Office

(Growing Carbon) 300,000

Board of Oil and Gas Conservation

(Oil and Gas Plug and Abandonment) 200,000

Toole County

(2003 Plugging and Abandonment) 240,000

Board of Oil and Gas Conservation

(2003 Northern District Plug and Abandonment) 300,000

Board of Oil and Gas Conservation

(2003 Southern District Plug and Abandonment) 100,000

Department of Environmental Quality

(Washington Mine and Millsite Reclamation) 300,000

Powell County*

(CMC Roundhouse Site Cleanup) 76,400

~~Department of Environmental Quality~~

~~(Drumlummon Tailings, Goldsilk Mine Waste Reclamation) 300,000~~

Sheridan County Conservation District

(Reclaiming Oilfield Brine Contaminated Soils) 150,000

Department of Natural Resources and Conservation

(Planning Grants) 50,000

Fergus County Conservation District

(Central Montana Aquifer Project) 150,000

Judith Basin Conservation District

(Judith Basin Aquifer Restoration and Conservation) 70,000

The project grant identified with an asterisk (*) is contingent on the transfer of the site that is 14.5 acres located south of Milwaukee avenue to Powell County without compensation to the current owner.

(3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 2005 biennium pursuant to 17-7-302."

Renumber: subsequent sections

8. Page 4, line 29.
Following: "[Section"
Strike: "7"
Insert: "9"

9. Page 5, line 1.
Following: "through"
Strike: "6"
Insert: "8"

- END -

Explanation -This amendment is a committee report for all the actions recommended by the LRP subcommittee.

Items 1 & 2: Changes to the title for the changes included in this amendment.

Item 3: Reduces the project planning grants by \$200,000 to provide more funds for the regular grant program.

Item 4: Increases the appropriation of RIT interest used for RDGP grants.

Item 5: Adds a grant for the Flathead Basin Commission to fund the British Columbia-Montana Action plan.

Item 6: Provides a transfer of \$4.3 million in funds from the RDGP state special revenue account to the RRGL state special revenue account, to reduce the large negative ending fund balance in that account (HB 6).

Item 7: Eliminates the Drumlummon project, approved in the 2003 version of HB 7. This project was not moving forward. The funds will now be shown as an increase of \$300,000 in the RDGP account beginning fund balance for the 2009 biennium.

Items 8 & 9: Renumber references in the bill.

HB 116 Funding and HB 6 & HB 7 Appropriations

Unreserved Fund Balance (July 1, 2007)		
RRGL Program Account (02272)	(\$543,947)	
RDGP Program Account (02458)	<u>3,315,006</u>	
Total Grant Program Fund Balance (July 1, 2007)		\$2,771,059
Natural Resource Project Account Distribution		\$1,385,530
HB 116 Natural Resource Project Revenues		
(per HB 116 Fiscal Note)		
RIT Interest	\$7,000,000	
RIGWA Tax	603,000	
Oil and Natural Gas Tax	4,422,000	
Excess Coal Tax Proceeds	250,000	
STIP Earnings	5,000	
Administrative Fees	<u>25,000</u>	
		<u>12,305,000</u>
Available Funds		\$13,690,530
Current LRBP Appropriation Recommendation		
HB 6		
Emergency Grants	(\$100,000)	
Project Planning Grants	(400,000)	
Irrigation Development Grants	(300,000)	
Comprehensive Irrigation Grant	(100,000)	
Project Grants	<u>(5,000,000)</u>	
Total		(\$5,900,000)
HB 7		
Project Planning Grants	(\$800,000)	
Project Grants	<u>(4,496,500)</u>	
Total		(\$5,296,500)
Total Grant Appropriations		<u>(11,196,500)</u>
Natural Resource Projects Fund Balance Under HB 116		\$2,494,030